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Attorneys for Debtors
Jack and Donna Galante

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re:	)	Case No.: 12-58139 (CN)
)	
JACK C. GALANTE and	)	CHAPTER 11
DONNA GALANTE,)	
	)	STATUS CONFERENCE STATEMENT
Debtors.)	
	)	Date: July 25, 2013
	)	Time: 11 a.m.
	)	Place: U.S. Bankruptcy Court
	)	280 S. First Street
	)	Room 3070
	)	San Jose, CA 95113
	)	Judge: Charles Novack

I, RAY D. HACKE, hereby declare as follows:

- I am an associate at the law firm of Schein & Cai LLP and the attorney of record for Debtors JACK C. GALANTE (hereinafter "JACK") and DONNA GALANTE (hereinafter DONNA, and collectively with JACK "Debtors") in the herein Chapter 11 bankruptcy proceeding. The Court granted Debtors' first-day motion to employ James J. Cai and myself as their attorneys on January 7, 2013.¹

¹ Hereinafter all calendar references will be to dates in 2013 unless noted.

- 1 2. Since commencing this case on November 13, 2012, Debtors have
2 promptly submitted most, if not all, of the documents that Chapter 11
3 Trustee Emily S. Keller (hereinafter “Trustee”) has asked them to submit,
4 including all of their monthly operating reports.
- 5 3. Debtors have not yet created a Chapter 11 plan of reorganization or
6 submitted it to and their creditors for approval. As stated at Debtors’ last
7 status conference on June 13, Debtors’ efforts to reorganize hinge on
8 obtaining from Creditor WELLS FARGO BANK, N.A. (hereinafter
9 “WELLS FARGO”) a modification of the mortgage loan on Debtors’ real
10 property at 6590 Crystal Springs Drive, San Jose, CA 95120.
- 11 4. Debtors learned in early July that WELLS FARGO denied their loan
12 modification application. The reason that WELLS FARGO gave for
13 denying Debtors’ application is the same as when WELLS FARGO
14 denied Debtors a loan modification on March 8: Excessive financial
15 obligations. See Attached Ex. “A” (a copy of Debtors’ most recent
16 rejection letter from WELLS FARGO).
- 17 5. Debtors are unsure whether WELLS FARGO took into consideration that
18 the balance Debtors owed on their 2008 Chevrolet Corvette (hereinafter
19 “Corvette”) was paid off prior to Debtors’ last status conference on June
20 13. For that reason, Debtors are appealing WELLS FARGO’s most
21 recent denial of their loan modification application.
- 22 6. On or about July 16, Debtors’ attorney filed and served objections to
23 proofs of claim filed by Creditors ALLY FINANCIAL SERVICES, INC.
- 24
- 25
- 26
- 27
- 28

1 (hereinafter "ALLY") and BMW FINANCIAL SERVICES (hereinafter
2 "BMW FINANCIAL"). Debtors owed money to ALLY and BMW
3 FINANCIAL on their Corvette and their 2006 BMW X5, respectfully,
4 when they commenced this case, but both automobiles have since been
5 paid off. Debtors plan to upload requests for entry of default sustaining
6 both objections in three weeks, provided that neither ALLY nor BMW
7 FINANCIAL requests a hearing on the objections to their respective
8 claims.
9

- 10 7. If WELLS FARGO denies Debtors' appeal of WELLS FARGO's
11 rejection of Debtors' loan modification application, Debtors will meet
12 with their attorneys to create a reorganization plan through which Debtors
13 pay any and all arrearages owed to WELLS FARGO.
14

15 I declare under penalty under the laws of the United States of America and the State of
16 California that the foregoing is true and correct, and that this certification was executed this 16th
17 day of July, 2013, in San Jose, California.
18

19 By: /s/ RAY D. HACKE
20 Ray D. Hacke
21 Attorney for Debtors
22 Jack and Donna Galante
23
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EXHIBIT “A”



July 03, 2013

Loan Number: 0048245823

JAMES JINGMING CAI
111 N MARKET ST. #1020
SAN JOSE, CA 95113

Re: 6590 Crystal Springs Dr, San Jose CA 95120-4615
Jack Carl Galante
Donna Galante
Case Number: 12-58139

Subject: Your client's request for mortgage assistance.

Dear JAMES JINGMING CAI :

We're responding to your client's request for mortgage assistance and the options that may be available to help them. We realize that the process can take some time, and we appreciate your client's patience while we review their options.

Here's what we found

We carefully reviewed the information your client provided and explored a number of mortgage assistance options. At this time, your client does not meet the requirements of the program because:

- () The income provided has been determined to be sufficient to make the contractual payment due on the loan secured by the property.
- (x) Other:
You have excessive financial obligations.

Please note: the information above is the primary reason that your client is not eligible for mortgage assistance, however there may be other reasons related to the decision. If you have any questions about our decision, please call the Home Preservation Specialist at the number listed at the bottom of this letter.

Your client has the right to appeal this decision. An appeal is a formal request from your client to review our decision. Carefully review this letter and the reason they did not meet the requirements for a mortgage assistance option. If your client believes our determination was incorrect and wants to appeal the decision, the appeal request must be submitted in writing.

HP407 005 GEE

JAMES JINGMING CAI
0048245823
July 03, 2013
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Your client may use the Appeal Request Form we have enclosed with this letter, or write a letter of their own that explains the reason they disagree with our decision.

Fax the appeal request to the Home Preservation Specialist at the fax number listed at the bottom of this letter.

Or mail the appeal request to:
Wells Fargo Home Mortgage
Home Preservation Mail Code T7408-016
4101 Wiseman Blvd
San Antonio, TX 78251

Appeal request guidelines:

- o Your client will need to provide detailed information about the reason for the appeal and include supporting documents (as applicable) that will help us look into the request.
- o Be sure to include the loan number on the appeal request and any supporting documents.
- o We must receive your client's written request for an appeal before August 04, 2013, or we cannot move forward with a review of our decision.
- o After we receive your client's written appeal request, you will receive a letter that confirms receipt of the request and outlines next steps in the appeal process.

Important next steps for mortgage assistance

There may be other mortgage assistance options available to help your client avoid a foreclosure sale. Please contact us to learn about the options listed below:

- o If your client is interested in staying in their home, they may be eligible for help through a different mortgage assistance program.
- o If your client cannot or prefers not to stay in their home:
 - If the present value of the home is higher than the mortgage balance, your client can try to sell the home before the foreclosure sale takes place.
 - If the mortgage balance is higher than the present value of the home, your client may want to consider what is known as a "short-sale." This allows your client to sell the home privately for an agreed-upon amount that is less than what they owe on the mortgage. To start the short sale process, it's important for you to work with us in advance to set the selling price.
 - The remaining option is a deed in lieu of foreclosure. Your client can voluntarily deed the property to Wells Fargo, transferring ownership of the home to us.
 - Please note: if your client is eligible for an option listed above and if your client or the property is affected by a bankruptcy case, the option may be subject to court involvement and approval.

HP407 005 GEE

JAMES JINGMING CAI
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Please note: As a result of your client's bankruptcy case, this letter is not an attempt to collect a debt from your client or in any way violate any provision of the United States Bankruptcy Code. This letter has been sent to you for informational purposes only. This is not a bill or a request for payment, or a statement that your client is personally obligated in any way to make a payment.

Your client's decision to discuss workout options with Wells Fargo Home Mortgage is strictly voluntary. Your client is not obligated to pursue any workout options discussed with us. At your request, we will immediately terminate any such discussions should your client no longer wish to pursue these options.

If I can be of further assistance, please call the number listed below. A Home Preservation Specialist is available to assist you Monday-Friday, 8 AM to 5 PM, Central Time at 1-877-270-3616.

Sincerely,

SANDRA HASS
Home Preservation Specialist
Wells Fargo Home Mortgage
SPOC Phone Number: 1-877-270-3616
Ext: 04611
SPOC Fax Number: 1-800-313-0892

Get free counseling to help manage expenses and avoid foreclosure. Reach out to a local HUD-approved, non-profit housing counseling agency if you're struggling to keep up with monthly expenses, or want help to avoid foreclosure. At no cost, a counselor will work closely with you, providing the information and assistance you need. To find an agency near you, go to www.hud.gov/offices/hsg/sfh/hcc/fc or call 1-800-569-4287. You can also call the HOPE Hotline at 1-888-995-HOPE.

Be sure you avoid anyone who asks for a fee for counseling or a loan modification, or asks you to sign over the deed to your home, or to make your mortgage payments to anyone other than Wells Fargo Home Mortgage.

IF YOU RESIDE IN THE STATE OF NEW YORK AND IF YOU BELIEVE THE LOSS MITIGATION REQUEST HAS BEEN WRONGLY DENIED, YOU MAY FILE A COMPLAINT WITH THE NEW YORK STATE BANKING DEPARTMENT AT 1-877-BANK-NYS or www.banking.state.ny.us.

HP909 003 GEE

Appeal Request Form

Carefully review the letter that came with this form, which states the reason you do not meet the requirements for a mortgage assistance option. If you believe our determination was incorrect and want to appeal the decision, we recommend you use this form for submitting an appeal.

Select the description that best describes the basis of your request:

____ My/our financial situation
has changed since I/we first
requested mortgage assistance,
and I/we would like new
information to be considered.

____ My/our financial situation
has NOT changed since I/we
requested mortgage assistance,
but I/we still want to appeal
your decision.

Please provide specific information related to your appeal. Explain the reason you disagree with our decision and/or provide new information to be considered.

If your financial situation has changed, describe in detail what has changed and include supporting documentation that validates this change.

Be sure to include your loan number on your appeal request and any supporting documents.

Customer Name(s): Jack Carl Galante & Donna Galante

Loan Number: 0048245823

Contact Phone Number: _____ Best day and time to call: _____

Important: We must receive your written request for an appeal before the date referenced in the appeal information section in the attached letter, or we cannot move forward with a review of our decision.

Mail your appeal request form to:

Or fax your appeal request form to:

Wells Fargo Home Mortgage
Home Preservation T7408-016
4101 Wiseman Blvd
San Antonio, TX 78251

1-800-313-0892